



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 23, 2009

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Fiscal Year 2010 Unpaid Furlough And Related Labor Agreement Updates (Managers, Supervisors, and General Employees)

RECOMMENDATION: That Council:

- A. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Declaring a Mandatory Unpaid Furlough for City Employees During Fiscal Year 2009-2010 and Approving a General Furlough Closure Schedule for Certain City Offices; and
- B. Introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending the 2008-2010 Memorandum of Understanding Between the City of Santa Barbara and the Santa Barbara City Employees' Association (General Unit) to Include a Supplemental Agreement Regarding Furlough and Other Layoff Avoidance Measures.

DISCUSSION:

Background

In developing the Fiscal Year 2010 proposed budget, staff sought to work with labor organizations and employee groups to achieve at least \$1.5 million in one-time labor savings in Fiscal Year 2010 in order to minimize the depths of immediate cuts to the organization and services that would otherwise be necessary. These one-time savings were sought in order to allow more time for the City to transition to a smaller organization in thoughtful and strategic fashion, and to minimize the need for layoffs.

On March 17, 2009, Council approved a labor agreement with the Supervisors Bargaining Unit and Management Salary Plans applicable to unrepresented managers that provided for an unpaid furlough of up to 5% of employees' time in Fiscal Year 2010, with a corresponding reduction in employee pay, upon the declaration by Council Resolution that the furlough is necessary for economic reasons. These documents also included a suspension of the existing vacation cash-out provision in Fiscal Year 2010 and, if necessary, Fiscal Year 2011.

In February 2009, staff also reopened negotiations with the General Bargaining Unit about mandatory unpaid furlough and other layoff mitigation measures.

Current Action

This action will add a supplemental agreement to the MOU with the General Employees bargaining unit, represented by S.E.I.U., local 620 (SEIU) allowing the City to implement an unpaid furlough of 104 hours and suspend the existing vacation cash out provisions. The agreement becomes effective upon the adoption by the City Council of a budget that does not include certain position eliminations that were contained in the proposed budget submitted in April 2009. At Council's direction, the budget proposed for adoption today (6/23/09) contains the restoration of those positions necessary to trigger the furlough and suspend the vacation cash out under the agreement with SEIU. With this agreement, the total General Fund one-time labor savings achieved from all labor groups now slightly exceeds the \$1.5 million that staff had initially sought. The agreement is expected to have been ratified by the SEIU membership last Friday, June 19, 2009. As is traditional, staff recommends that the salary and benefit changes under this agreement also be applied to the City's confidential employees.

The Resolution is necessary to trigger the furlough under the various furlough plans and to set forth a Mandatory Unpaid Furlough Plan with the specific furlough terms applicable to those employees who are not covered by the General bargaining unit.

The Supervisors' MOU, approved in March 2009, contained a furlough agreement, but specified that the City and the Association could mutually agree to alternate terms. To ensure consistent administration of the furlough between bargaining units, City negotiators and the Supervisors Association have agreed in writing to supplement the existing furlough terms with those outlined in the attachment to the Resolution.

General Furlough Closure Schedule

A closure of offices to the public is the most effective way to absorb the unpaid furlough time off and to minimize its effect on operations during the remainder of the year. Staff recommends that a General Furlough Closure occur on the following dates:

- During the two weeks of the Christmas and New Year's holidays -- this is generally a period with a low level of public contact with most City offices;
- On the Wednesday before the Thanksgiving holiday -- this has also historically been a day with a low level of public contact; and
- On four additional eight-hour Fridays spread throughout the year.

The total number of additional closure days under the General Furlough Closure will be twelve.

The City's police and fire safety services will continue to operate as usual, and 9-1-1 and other emergency services will not be interrupted by the city furlough program. Some other offices will remain open for all or part of the General Furlough Closure. A list of some of the specific anticipated office closure dates is attached to the Resolution.

Recognizing that having each employee work 104 fewer hours will necessarily have some impact on service delivery, staff will make every effort to mitigate these impacts. This will include making special arrangements for some services to the public to continue during the furlough closure period, such as utility payments and building inspections.

BUDGET/FINANCIAL INFORMATION:

The agreement with SEIU and the application of similar terms to confidential employees will achieve an additional \$884,269 in savings to the General Fund, with an additional \$824,796 in savings to other funds Citywide.

Total savings to the City from the furlough and the suspension of the vacation cash out is now estimated to be \$2,994,458 Citywide, with approximately \$1,688,597 of this savings accruing to the General Fund. These savings have been included in the Fiscal Year 2010 budget proposed for adoption today.

SUSTAINABILITY IMPACT:

Closing City Offices for the General Furlough Closure dates will reduce facility energy consumption and employee commute emissions by undetermined amount for twelve days per year.

PREPARED BY: Kristine Schmidt, Employee Relations Manager

SUBMITTED BY: Joan M. Kent, Assistant City Administrator

APPROVED BY: City Administrator's Office